

Memorandum

TO: HONORABLE MAYOR AND
CITY COUNCIL

FROM: Del D. Borgsdorf
Susan F. Shick

**SUBJECT: TRANSFER OF PERMITTING
AUTHORITY IN THE DOWNTOWN
CORE AND JULIAN STOCKTON
AREA TO THE CITY**

DATE: December 5, 2003

RECOMMENDATION

1. It is recommended that the City Council:
 - (a) Approve an ordinance repealing Ordinance No. 23523 to transfer the Executive Director of the Redevelopment Agency's development permitting authority to the Director of the City of San Jose's Department of Planning, Building and Code Enforcement; and,
 - (b) Adopt a resolution amending the 2003-04 Schedule of Fees and Charges by repealing Section 3A of that resolution relating to Redevelopment Agency development permitting fees.
2. It is recommended that the Redevelopment Agency Board adopt a resolution acknowledging the transfer of the Executive Director's permitting authority to the Director of Planning, Building, and Code Enforcement.

BACKGROUND

In 1990, the City Council granted the Executive Director of the Redevelopment Agency the authority to approve planning entitlements (such as Conditional Use Permits, Site Development Permits, Sidewalk Cafe Permits, and Permit Adjustments) in the Downtown Core and the Julian-Stockton area. The Redevelopment Agency has been processing permit applications continuously since that date. Due to this division in permitting authority, an applicant for proposed project located in the Downtown Core or the Julian Stockton Redevelopment Area submits their permit application to the Redevelopment Agency offices. Outside of those specific areas, however, an applicant would submit the application to the Planning Division of the City of San Jose Department of Planning, Building and Code Enforcement (PBCE) at City Hall. As a part of the "Getting Families Back to Work" program, it was recommended that the permitting function be moved back to the Director of Planning, Building, & Code Enforcement Department. The change will allow all project applicants, regardless of the location of the proposed project, to apply for discretionary permits at the Planning Division of the City of San Jose Department of Planning, Building and Code Enforcement.

ANALYSIS

The return of permitting authority to the Director of the City of San Jose's Department of Planning, Building and Code Enforcement will centralize the permit function in one Department and eliminate the duplication of services within the City and Agency. Rather than two public counters and two planning departments, all services will be offered at the Planning Department at City Hall. Applicants will no longer need to come to the Redevelopment Agency offices if their project is located in the Downtown Core or in the Julian-Stockton Redevelopment Area. The Planning Department will be the sole source of planning and permit information.

If the Ordinance is adopted at this meeting and a second reading is held at the December 16th City Council meeting, the transfer of the permit function would be effective on January 16th, 2004. Development permit applications would continue to be accepted at the Redevelopment Agency until January 15th, 2004. After that date, all applications would be submitted to the Planning Department. To reduce confusion for project applicants and to maintain a high level of customer service, the Redevelopment Agency would complete the permitting process for applications submitted for approval prior to January 15th, 2004.

Planning is recommending that the 2003-04 Fees and Charges Resolution be amended to delete the Redevelopment Agency fees section. This proposed fee change would result in higher fees for developers in the Downtown and Julian Stockton area. Permit processing fees currently charged by the Agency were set at approximately half the cost of Planning permit fees in 1990 and have not been increased since. In effect, the Redevelopment Agency has been providing processing subsidies of 60% to 95% for projects in these areas. With the transfer of permitting authority to Planning, all development projects within the City will be subject to the same cost recovery fee schedule adopted by the City Council in June of this year. If this section of the fee schedule is not repealed, permit-processing costs for projects in these areas will not be recovered without an ongoing permit fee subsidy from another source. This subsidy could not be recovered from other permit fee payers.

It is also recommended that a review of the effectiveness of the transfer be conducted in one year. The review will analyze the timeliness of permit approval and customer service and satisfaction.

FISCAL IMPACT

The Agency would not experience any fiscal impacts from this action. The staff person that currently supports the permitting function is being shifted to other areas within the Agency. On the City side, there would not be any adverse fiscal impacts if the Fee Resolution is amended as recommended to apply the cost recovery fee schedule approved by Council on a City wide basis.

PUBLIC OUTREACH

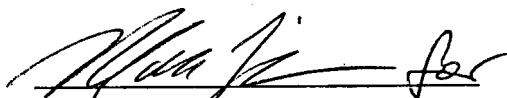
It is very important that the public and the development community be made aware of the changes so as to minimize confusion. Information pertaining to the permit authority transfer will be communicated to the public through various means. The information will be presented to the Downtown Association and the Development Roundtable at one of their monthly meetings. Signs will be placed in both the Redevelopment Agency offices and the City PBCE offices to notify potential applicants of the change in permitting authority. The Planning, Building and Code Enforcement Department and Redevelopment Agency will post information about the change on the City web site and will reach out to the development community and past applicants to make sure that they are aware of the changes.

As the San Jose Redevelopment Agency phases out its "public counter" planning services, phone inquiries pertaining to planning issues will be forwarded to the City Planning Department and a staff person will continue to be available to guide people to the correct offices.

The development permitting fees that the City Council approved last June were extensively communicated to the development community through roundtable meetings held prior to the recommended approval of those fees.

COORDINATION

This memorandum has been coordinated with the Agency's General Counsel, the Department of Planning, Building, and Code Enforcement, and the City Attorney's Office.


DEL D. BORGSDORF
City Manager


SUSAN F. SHICK
Executive Director

ORDINANCE NO.

AN ORDINANCE OF THE CITY OF SAN JOSE
REPEALING ORDINANCE NO. 23523 TO TRANSFER THE
PERMITTING AUTHORITY IN THE DOWNTOWN CORE
AND JULIAN STOCKTON AREA FROM THE EXECUTIVE
DIRECTOR OF THE REDEVELOPMENT AGENCY TO THE
DIRECTOR OF THE CITY'S PLANNING BUILDING CODE
ENFORCEMENT DEPARTMENT

WHEREAS, on June 26, 1990, the City Council passed Ordinance No. 23523 and granted the authority and responsibility to the Executive Director of the Redevelopment Agency for development permits required for any property located entirely within the Downtown Core Area, and within the Julian-Stockton Redevelopment Project Area; and

WHEREAS, the City Council has determined that the permitting authority should be transferred back to the Director of the City's Planning, Building, & Code Enforcement Department;

NOW THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF SAN JOSE AS FOLLOWS:

SECTION 1. Repeal of Ordinance 23523. Ordinance 23523 is hereby repealed.

SECTION 2. Effective Date. This Ordinance shall be effective with respect to all development permit applications filed on or after January 16, 2004.

PASSED FOR PUBLICATION of title this _____ day of _____, 2003, by the following vote:

AYES:

NOES:

ABSENT:

DISQUALIFIED:

ATTEST:

RON GONZALES
Mayor

PATRICIA L. O' HEARN
City Clerk